

NEW NUMBER

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD
ALBERT H. GREENE
CARL C. DAVIS*
CHARLES T. KAPPLER
JOHN H. DOYLE
MILTON C. GRACE*
GEORGE JOHN KETO**
RICHARD N. BAGENSTOS

* NOT A MEMBER OF D.C. BAR
** ALSO A MEMBER OF OHIO BAR

LAW OFFICES
ALVORD AND ALVORD

200 WORLD CENTER BUILDING

918 SIXTEENTH STREET, N.W.

WASHINGTON, D.C.

20006-2973

OF COUNSEL
JESS LARSON
JOHN L. INGOLDSBY
URBAN A. LESTER

CABLE ADDRESS
"ALVORD"

TELEPHONE
AREA CODE 202
393-2266

TELEX
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440348 CDAA UI

January 18, 1985

5-018A066

Mr. James H. Bayne
Secretary
Interstate Commerce Commission
Washington, D.C.

Dear Mr. Bayne:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 are four original copies of a Security Agreement and Assignment dated as of February 20, 1984, a "primary document" as that term is defined in 49 C.F.R. §1177.1(a).

A description of the railroad equipment covered by the enclosed document is set forth on Schedule I attached hereto and made a part hereof.

The names and addresses of the parties to the enclosed document are:

Secured Party: Schroder Leasing Corporation
One State Street
New York, New York 10004

Debtor: Greenbrier Leasing Corporation
503 High Street
Oregon City, Oregon 97045

Kindly return three stamped copies of the enclosed document to Charles T. Kappler, Esq., Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006

Also enclosed is a check in the amount of \$10 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

A short summary of the enclosed primary document to appear in the Commission's Index is:

Security Agreement and Assignment dated as of February 20, 1984 between Schroder Leasing Corporation, Secured Party, and Greenbrier

CT. Kappler
Alvord and Alvord

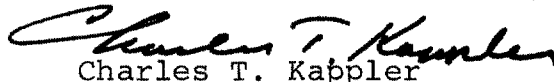
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Mr. James H. Bayne
Secretary
Interstate Commerce Commission
January 18, 1985
Page Two

Leasing Corporation, Debtor, covering railroad
cars to be marked and numbered in the series
SP 900722 through SP 900752.

Very truly yours,


Charles T. Kappler

SCHEDULE I

Description of Railroad Cars

The Cars subject to this Security Agreement and Assignment are identified by the following consecutive numbers which shall be stencilled on such Cars as reconditioned and modified:

SP 900722 through SP 900752

1/18/85

Interstate Commerce Commission
Washington, D.C. 20423

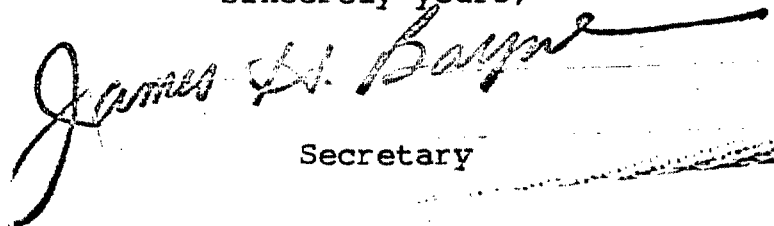
OFFICE OF THE SECRETARY

Charles T. Kappler, Esq.
Alvord & Alvord
918 16th St. N.W.
Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 1/18/85 at 11:55am and assigned re-recording number(s) . 14551

Sincerely yours,


Secretary

Enclosure(s)

SECURITY AGREEMENT AND ASSIGNMENT4551
JAN 18 1985 11 13 PM
INTERSTATE COMMERCE COMMISSION

GREENBRIER LEASING CORPORATION, a Delaware corporation, having its principal place of business at 503 High Street, Oregon City, Oregon 97045 (hereinafter called the "Debtor"), and SCHRODER LEASING CORPORATION, a New York corporation, having its principal place of business at One State Street, New York, New York 10004 (hereinafter called the "Secured Party"), agree as follows:

1. Defined Terms. (a) Terms used herein which are defined in the Participation Agreement dated as of February 20, 1984 by and among Debtor, Secured Party and James-Furman & Company (the "Participation Agreement") and the Loan Agreement dated as of February 20, 1984 by and among Debtor, and Secured Party (the "Loan Agreement") and shall have the same meanings herein as are therein ascribed to them.

(b) The term "Collateral" shall mean:

(i) The Cars described in Schedule I hereto, whether now owned or hereafter acquired by Debtor, together with all replacements, substitutions, attachments, modifications, additions, improvements, upgrades and accessions, whether now owned or hereafter acquired by Debtor, of, to or upon such Cars (collectively, the "Equipment");

(ii) That Railroad Equipment Lease dated September 1, 1982, as supplemented June 3, 1983 and excluding all subsequent supplements or amendments thereto (the "Lease") and all rents, issues, profits, revenues, income and other moneys due and to become due thereunder to Debtor ("Rent"), including, without limiting the generality of the foregoing, all rights and claims of Debtor, now or hereafter existing, (A) under any insurance, indemnities and warranties provided for or arising out of or in connection with the Lease, or the Equipment, (B) for any damages arising out of or for breach or default under or in connection with the Lease, (C) to all amounts from time to time paid or payable under or in connection with the Lease, and (D) to terminate the Lease, to exercise or enforce any and all covenants, remedies, powers and privileges thereunder; and including any and all amendments, supplements,

extensions and renewals of any of the Lease; provided, however, that only a portion of each payment of Rent shall be Collateral hereunder, such portion equal to a percentage of each payment of Rent obtained by multiplying the total amount of such payment by a fraction, the number of which is 31, and the denominator of which is the total number of Cars subject to the Lease from time to time;

(iii) All Future Agreements (as defined below) and all rents, issues, profits, revenues, income and other moneys due or to become due thereunder to Debtor;

(iv) All chattel paper, contracts, instruments, and other documents evidencing the Lease or any Future Agreement or any moneys due or to become due thereunder or related thereto;

(v) All accounts, contract rights and general intangibles related to any or all of the foregoing, as such terms are used in the Uniform Commercial Code of any applicable jurisdiction; and

(vi) To the extent not otherwise included in the foregoing, all proceeds of any or all of the foregoing, as such term is used in the Uniform Commercial Code of any applicable jurisdiction, and in any event, including, without limiting the generality of the foregoing, (A) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to Debtor from time to time with respect to any of the Collateral, (B) any and all payments (in any form whatsoever) made or due and payable to Debtor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency or any other person (whether or not acting under color of governmental authority) and (C) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

(c) The term "Future Agreements" shall mean all agreements, contracts, instruments, leases, chattel paper and other understandings, hereafter entered into by and on behalf of Debtor with respect to the management, assignment, dedication, lease or other utilization of any of the Equipment, together with all amendments, modifications or supplements of any of the foregoing except the Lease as defined above.

(d) The term "Secured Obligations" (as used in Section 2, below) shall mean all amounts of principal of and interest on the advances payable under the Loan Agreement and the Notes thereunder and the Participation Agreement and the Notes thereunder and all other indebtedness, obligations and liabilities of Debtor to Secured Party under the Loan Agreement and the Notes thereunder and the Participation Agreement and the Notes thereunder and the Guarantee Agreement in each case whether now existing or hereafter incurred.

2. Creation of Security Interest and Power of Attorney. (a) Debtor hereby grants to Secured Party a continuing first mortgage and security interest in the Collateral, and assigns to Secured Party all of Debtor's right, title and interest in and to the Collateral, to secure prompt payment and performance of the Secured Obligations.

(b) Debtor hereby appoints Secured Party the Debtor's attorney-in-fact, with full authority in the place and stead of the Debtor and in the name of the Debtor or otherwise, from time to time in the Lender's discretion, if an Event of Default shall have occurred which remains uncured for 30 days after notice under the Participation Agreement or any Note, to take any action and to execute any instrument which the Lender may deem necessary or advisable to accomplish the purposes of this Security Agreement. Without limiting the generality of the foregoing, the Lender may transfer title to the Cars to itself or to an issuer of an equipment value insurance policy if the Lender, in the exercise of its reasonable judgment, determines that such transfer is advisable in order to protect its rights under such policy.

3. Covenants of Debtor. Without the prior written consent of the Secured Party, Debtor shall not sell, secrete, mortgage, assign, transfer, lease, sublet, lend, part with possession of or encumber the Collateral or any portion thereof, or permit liens to be effective thereon, or permit or attempt to do any of the foregoing acts otherwise than pursuant to the Leases and this Security Agreement.

4. Default. Debtor shall be in default under this agreement:

(a) when Debtor has made a misstatement in connection with or has failed to pay or perform any of his obligations, agreements or affirmations under this Security

Agreement or any of the other Documents, or under any agreement with any person relating to the care and maintenance of the Equipment.

(b) if an Event of Default shall have occurred and be continuing.

5. Secured Party's Rights and Remedies. (a) Secured Party shall have all the rights and remedies provided in the Uniform Commercial Code in force in the State of New York, and

(b) in addition to, or in conjunction with, those rights and remedies:

(i) Secured Party may remedy in any reasonable manner or waive any default of Debtor without waiving the default remedied or any other prior or subsequent default;

(ii) Notice sent to the Debtor at his address as it appears herein by overnight delivery service ten days before any sale of the Collateral shall constitute reasonable notice to the Debtor;

(iii) Upon a default hereunder, the Secured Party's reasonable attorney's fees and the legal and other expenses for pursuing, searching for, receiving, taking, keeping, storing, advertising and selling the Collateral shall be chargeable to the Debtor and payable out of the proceeds of the sale or other disposition of the Collateral.

6. Additional Representations, Warranties and Covenants. Debtor represents, warrants and covenants to Secured Party that:

(a) No financing statement in favor of a person other than Secured Party covering the Collateral or its proceeds is on file in any public office and that there is no lien on the Collateral except liens held by the Secured Party; and

(b) Debtor will not assert any claims, defenses, setoffs or counterclaims against any assignee of the Secured Party except those expressly stated herein.

7. Miscellaneous. (a) This agreement contains the entire understanding between the parties concerning the

subject matter hereof, and no representations, inducements, promises or agreements, oral or otherwise, between the parties with reference thereto and none embodied herein shall be of any force or effect.

(b) None of the provisions of this agreement may be changed, modified or waived except by a writing signed by the Debtor and the Secured Party.

(c) If any covenant or other provisions of this agreement shall be invalid, illegal or incapable of enforcement by reason of any rule or law or public policy, all other covenants and provisions hereof shall nevertheless remain in full force and effect and no covenant or provision shall be deemed dependent upon any other covenant or provision.

(d) Terms used in this agreement which are defined in the Uniform Commercial Code in force in the State of New York at the date of the execution of this agreement shall have the same meaning as set forth herein.

(e) This agreement shall be governed by and construed in accordance with the law of the State of New York.

(f) The Secured Party may, at any time, assign and delegate all of its rights and duties hereunder, without notice to or consent of Debtor.

(g) The Debtor may not assign or delegate any of its rights or duties hereunder.

(h) This agreement shall inure to and be binding upon the heirs, executors, administrators, successors and assigns of the respective parties hereto.


(i) The Secured Party is hereby authorized to file a financing statement under the Uniform Commercial Code to perfect its security interest in the Collateral without execution by the Debtor and at Debtor's expense.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of February 20, 1984.

GREENBRIER LEASING CORPORATION

By

Title:


Pres

SCHRODER LEASING CORPORATION

By

Title: President

A handwritten signature in dark ink, appearing to read "J. McQuinn", is written over a horizontal line. The signature is stylized with a large initial "J" and a prominent "M".

State of Oregon

SS:

County of Clackamas

On this 12th day of November, 1984 before me personally appeared, William A. Furman, to me personally known, who being by me duly sworn, says that he is the President of GREENBRIER LEASING CORPORATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]


Signature of notary public

My Commission expires: June 8, 1985

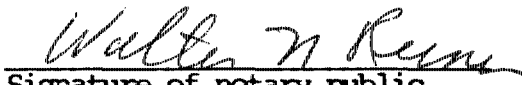
State of New York

SS:

County of New York

On this 20 day of December 1984 before me personally appeared, James J. MacIsaac, to me personally known, who being by me duly sworn, says that he is the President of SCHRODER LEASING CORPORATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[SEAL]


Signature of notary public

My Commission expires:

WALTER N. REINHOLD
Notary Public, State of New York
No. 22103535 Qual. in Nassau County
Certificate Filed in New York County
Commission Expires March 29, 1985

G11/20/84-

SCHEDULE I

Description of Railroad Cars

The Cars subject to this Security Agreement and Assignment are identified by the following consecutive numbers which shall be stencilled on such Cars as reconditioned and modified:

SP 900722 through SP 900752